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UNITED STATES DISTRICT COURT**DISTRICT OF NEVADA**RSO Corporation dba World Wide Safety
Rental Services,

Plaintiff

v.

Navistar, Inc.,

Defendant

Case No.: 2:23-cv-01669-JAD-NJK

**Order Granting Defendant's Motion for
Summary Judgment and Closing Case**

[ECF Nos. 46, 47]

In this removed action, RSO Corporation dba World Wide Safety Rental Services sues Navistar Inc. for breach of warranty after a commercial truck it purchased from Navistar experienced mechanical defects that took it out of service for approximately 250 days while Navistar performed warranted repairs. RSO theorizes that the warranty required repairs to be completed in a reasonable time, and this process was so long that the repair remedy failed its essential purpose, entitling RSO to remedies otherwise disclaimed by the warranty. Navistar moves for summary judgment, arguing that RSO cannot establish two essential elements of its claim—breach or damages. Because the warranty does not contain a time limit for the repair remedy, RSO cannot establish that Navistar's extended repair period constitutes a breach of the express warranty. And the essential-purpose doctrine doesn't apply here because the truck was ultimately repaired as promised. So I grant summary judgment in favor of Navistar and close this case.

Background

RSO Corporation opened a new branch of its business in 2021 that was dedicated to renting and servicing portable toilets.¹ That year, it purchased a commercial truck used to transport portable restrooms and pump waste, manufactured by Navistar.² When RSO purchased the Navistar truck, it already had two Ram trucks for these same purposes.³ The new truck supplemented RSO's portable-restroom and waste-pumping operations, allowing RSO to offer greater hauling and pumping capacity than with the Ram trucks alone.⁴

A. Repairs take the Navistar truck out of service for 250 days.

RSO took delivery of the truck in early January 2022, but it almost immediately began experiencing mechanical issues.⁵ It was out of service for three extended periods, for a total of approximately 250 days: January 5, 2022 to July 6, 2022, August 5, 2022 to September 16, 2022, and January 16, 2023 to January 26, 2024.⁶ RSO claims that its business operations were disrupted during each of these periods.⁷ By February 2024, repairs on the Navistar truck were completed⁸ at a Navistar-authorized warranty-repair shop and at no cost to RSO.⁹ RSO now uses

¹ ECF No. 47-2 at 4:6–12.

² ECF No. 46-3 at 30:23–29:2.

³ *Id.* at 33:12–23.

⁴ ECF No. 46-2.

⁵ ECF No. 46-3 at 41:1–43:10; *see* ECF No. 46-5.

⁶ *See* ECF No. 46-5.

⁷ ECF No. 46-3 at 46:3–47:6.

⁸ ECF No. 46-5.

⁹ ECF No. 46-3 at 93:19–22, 106:12–15.

1 the Navistar truck daily for its business operations, and the truck’s previous defects cause no
2 impediment to its current daily operations.¹⁰

3 **B. The Navistar express warranty promises repairs or parts replacement.**

4 The express limited warranty that came with the truck states that Navistar will “repair or
5 replace any part . . . which proves to be defective in material or workmanship, in normal use and
6 service.”¹¹ It also expressly states that “no warranties are given beyond those described herein”
7 and that the warranty “excludes liability for incidental and consequential damages, on the part of
8 the company or seller.”¹² No representations were made by Navistar to RSO about the truck
9 outside of what was included in this written warranty.

10 **C. RSO claims that the lengthy repair process breached Navistar’s obligation to repair**
11 **or replace parts within a reasonable time.**

12 RSO filed this suit in state court against Navistar for breach of warranty, violation of
13 Nevada’s lemon-law statute, and declaratory relief, but the case was removed to federal court
14 based on diversity jurisdiction.¹³ A motion to dismiss cut the case down to a single breach-of-
15 warranty claim in which RSO theorizes that Navistar failed to repair the truck’s mechanical
16 defects “to conform to the warranty in a reasonable amount of time and/or after a reasonable
17 number of attempts.”¹⁴

21 ¹⁰ *Id.* at 182:3–11.

22 ¹¹ ECF No. 46-4 at 2.

23 ¹² *Id.* at 3.

¹³ ECF No. 1.

¹⁴ ECF No. 1-1 at 11.

D. Navistar moves for summary judgment.

Navistar seeks summary judgment on this lone remaining claim, arguing that it honored the warranty as written and that it is entitled to judgment as a matter of law.¹⁵ According to Navistar, RSO is trying to read new terms into the warranty by applying the essential-purpose doctrine,¹⁶ which entitles a purchaser to pursue the full range of UCC remedies when a limited remedy fails its essential purpose.¹⁷ Navistar argues that the essential-purpose doctrine has never been applied in Nevada to establish the breach element of an express-warranty claim.¹⁸ RSO opposes Navistar’s motion, contending that a warrantor can be found to have breached a repair-or-replace warranty if the repairs are not completed in a reasonable amount of time and number of attempts.¹⁹ RSO adds that the “record contains ample evidence” from which “a jury could find [that] the [t]ruck was not repaired after a reasonable amount of time or repeat attempts, and the [w]arranty failed for its essential purpose.”²⁰

Discussion

A. RSO’s breach-of-warranty claim fails because Navistar’s express warranty does not contain a reasonable-time limit for repairs, and the essential-purpose doctrine cannot bridge the gap.

“In a breach-of-warranty cause of action, a plaintiff must prove that a warranty existed, the defendant breached the warranty, and the defendant’s breach was the proximate cause of the

¹⁵ *Id.* at 4.

¹⁶ *Id.*

¹⁷ *See* Nev. Rev. Stat. § 104.2719(2).

¹⁸ ECF No. 46 at 11.

¹⁹ ECF No. 49 at 8.

²⁰ *Id.* at 6.

1 loss sustained.”²¹ In its motion for summary judgment, Navistar argues that RSO cannot
 2 establish a genuine issue of material fact for two of these elements—breach and damages.²²
 3 RSO counters that it has presented facts demonstrating unreasonable repair delays and repeated
 4 repair failures, making these issues questions for the jury.²³

5 ***1. Navistar’s express warranty does not contain a reasonable-time requirement.***

6 Courts in Nevada have held that general contract-interpretation principles govern the
 7 interpretation of express warranties, and unambiguous contracts must be construed according to
 8 their plain language.²⁴ The warranty language that RSO relies on in this case says only that
 9 Navistar “will repair or replace any part of this vehicle which proves defective in material or
 10 workmanship, in normal use or service.”²⁵ It does not contain a time limit for the warranted
 11 repairs,²⁶ and a court cannot “interpolate in a contract what the contract does not contain.”²⁷

12 Apparently recognizing that the plain language of Navistar’s express warranty contains
 13 no reasonable-time requirement, RSO contends that the law implies such a requirement into
 14 repair-or-replace clauses. It represents to the court that the law holds that “[a] warrantor can be
 15 found to have breached a ‘repair or replace’ warranty if the repairs are not completed in a
 16 reasonable amount of time and through a reasonable number of attempts.”²⁸ RSO cites

18 ²¹ *Nev. Contract Servs., Inc. v. Squirrel Cos.*, 8 P.3d 896, 899 (Nev. 2003) (cleaned up).

19 ²² ECF No. 46 at 10.

20 ²³ ECF No. 49 at 15.

21 ²⁴ *Progressive Ins. Co. v. Sacramento Cnty. Coach Showcase*, 2008 WL 5377993, at *3 (D. Nev.
 Dec. 23, 2008); *Sheehan & Sheehan v. Nelson Malley & Co.*, 117 P.3d 219, 223–24 (Nev. 2005).

22 ²⁵ ECF No. 46-4 at 2.

²⁶ *See id.*

23 ²⁷ *Traffic Control Servs., Inc. v. United Rentals Nw., Inc.*, 87 P.3d 1054, 1059 (Nev. 2004).

²⁸ ECF No. 49 at 8.

1 *Philippine National Oil Co. v. Garrett Corp.* and *Spindler v. General Motors* for this
2 proposition.²⁹

3 But those cases don't stand for this proposition because the reasonable-time requirement
4 in both cases came from the express language of the warranties themselves. The warranty at the
5 center of *Philippine National Oil Co.* said that the buyer would "be credited for their value at the
6 original purchase price" "if [the purchaser] is unable to repair or replace defective or
7 nonconforming Articles or parts within a reasonable time."³⁰ Similarly, in *Spindler*, the warranty
8 provided that "[r]easonable time must be allowed for the dealer to perform necessary repairs."³¹
9 So the law did not imply this reasonable-time requirement into these warranties; the requirement
10 was written into the warranty language itself. RSO thus has not established that the law infuses
11 into Navistar's repair remedy a reasonable-time warranty that could have been breached by the
12 lengthy repair process that occurred here.

13 **2. *The essential-purpose doctrine does not apply in this case.***

14 Unable to show that an express warranty term was breached, RSO attempts to use the
15 essential-purpose doctrine as a gap-filler. RSO theorizes that because the truck was out of
16 service for an unreasonable length of time, the repair remedy in the warranty failed its essential
17 purpose and RSO is entitled to recover the disclaimed remedies of compensatory and incidental
18 damages.³² But the essential-purpose doctrine doesn't supply the breach bridge that RSO thinks
19 it does.

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21 _____
²⁹ *Id.* at 9.

22 ³⁰ *Philippine Nat. Oil Co. v. Garrett Corp.*, 724 F.2d 803, 806 (9th Cir. 1984).

23 ³¹ *Spindler v. Gen. Motors, LLC*, 616 F. Supp. 3d 943, 946 (N.D. Cal. 2022).

³² ECF No. 49 at 8–14.

1 Nevada’s essential-purpose doctrine, found in NRS 104.2719(2), isn’t a breach substitute,
 2 it’s a remedy expander.³³ Found under the subsection of Chapter 104 titled “Remedies,” it opens
 3 up the types of damages available when warranty language limits the buyer’s remedies—often to
 4 repairs and replacement of parts—but that remedy ultimately leaves the buyer with nothing.³⁴
 5 As one treatise explains it, “There are probably relatively few situations where a remedy can fail
 6 of its essential purpose,” but the most common one is “when the exclusive remedy involves
 7 replacement or repair of defective parts, and the seller because of his negligence in repair or
 8 because the goods are beyond repair, is unable to put the goods in warranted condition.”³⁵

9 The Nevada Supreme Court found such a situation in *Newmar Corp. v. McCrary*.³⁶ Soon
 10 after McCrary bought a motorhome, it experienced significant electrical issues, making it unsafe
 11 to drive.³⁷ The vehicle underwent numerous repairs at the manufacturer’s factory and other
 12 repair shops but was never fixed.³⁸ The Court held that McCrary was not bound by the
 13 manufacturer’s disclaimer of incidental and consequential damages because “repeated failed
 14 attempts to repair the motorhome under the expanded warranty resulted in the frustration and
 15 deprivation of [her] benefit of the bargain to the point that no remedy was available to her.”³⁹

18 ³³ Nev. Rev. Stat. § 104.2719(2).

19 ³⁴ *Id.*

20 ³⁵ *Ehlers v. Chrysler Motor Corp.*, 226 N.W.2d 157, 162 (S.D. 1975) (concurring opinion)
 21 (citing J. White and R. Summers, Handbook of the Law Under the Uniform Commercial Code,
 Sec. 12–10, p. 382).

22 ³⁶ *Newmar Corp. v. McCrary*, 309 P.3d 1021 (Nev. 2013).

³⁷ *Id.* at 1023.

23 ³⁸ *Id.*

³⁹ *Id.* at 1026.

1 As *McCrary* demonstrates, the gateway inquiry for the essential-purpose doctrine is
 2 whether the repair-or-replacement remedy was ineffectual.⁴⁰ That gate is closed here. Unlike in
 3 *McCrary*, in which the manufacturer was unable to put the motorhome in its warranted
 4 condition, RSO's truck was ultimately repaired.⁴¹ The record shows without dispute that it was
 5 working for nearly 18 months after the 2022 repairs, and ever since the February 2024 repairs.⁴²
 6 So it cannot be said that the repair-and-replacement remedy in the Navistar warranty failed its
 7 essential purpose; there was just a delay in realizing that purpose.

8 RSO cites several state-court cases for the proposition that courts have "allowed breach
 9 of express warranty damages based on the failure of the repair remedy alone."⁴³ But each is
 10 materially distinguishable or mischaracterized. In *Ehlers v. Chrysler Motor Corp.*, an
 11 automobile that the plaintiff purchased had an undersized crankshaft, a faulty transmission, and
 12 improperly installed windows.⁴⁴ The purchaser returned the car for repairs, but Chrysler refused
 13 to make them at all because it believed that the vehicle's odometer had been tampered with.⁴⁵
 14 The South Dakota Supreme Court found that, because Chrysler refused repairs altogether, the
 15 purchaser was "deprived of the 'substantial value of the bargain,'" and therefore, the remedy

19 ⁴⁰ See *S.M. Wilson & Co. v. Smith Int'l, Inc.*, 587 F.2d 1363, 1374 (9th Cir. 1978) (analyzing
 20 California's essential-purpose analog and holding that "the inability to cure substantial defects"
 in a tunnel-boring machine indicated "that the repair remedy so failed").

21 ⁴¹ See *McCrary*, 309 P.3d at 1026; ECF No. 46-3 at 93:19–22, 106:12–15.

22 ⁴² See ECF No. 46-5.

23 ⁴³ ECF No. 49 at 9.

⁴⁴ *Ehlers*, 226 N.W.2d at 162.

⁴⁵ *Id.* at 158.

1 failed its essential purpose.⁴⁶ Unlike Ehlers, RSO was not refused repairs, they just took a while
2 to complete.

3 RSO cites the Nebraska Supreme Court’s opinion in *Koperski v. Husker Dodge Inc.*⁴⁷ as
4 an example of a case in which “repeated failed repair efforts ‘deprive[d] the purchaser of the
5 benefit of the bargain to the point that no remedy is available.’”⁴⁸ But the *Koperski* court
6 actually affirmed the trial court’s finding that the plaintiff did not to prove that the warrantor had
7 breached its warranty.⁴⁹ The court specifically noted that the record made clear the plaintiff
8 “was never denied repair services” “nor was she charged for some.”⁵⁰ It further found that “the
9 principal defect complained of was with regard to the transmission of the vehicle, and the
10 transmission was, in fact, once replaced.”⁵¹ After the plaintiff demanded a new car, the seller
11 “replaced the transmission a second time . . . [and] had road tested and checked the vehicle and
12 found that the transmission was working properly and was not defective.”⁵² In light of these
13 repairs, the court found that the car was not “so riddled with defects that the limited remedy of
14 repair and replacement fail[ed].”⁵³ So, *Koperski* is actually analogous to the instant case and
15 supports the conclusion that the essential-purpose doctrine doesn’t apply here.

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18 ⁴⁶ *Id.* at 161.

19 ⁴⁷ *Koperski v. Husker Dodge, Inc.*, 302 N.W.2d 655 (Neb. 1981).

20 ⁴⁸ *Id.* at 666.

21 ⁴⁹ *Id.*

22 ⁵⁰ *Id.* at 665.

23 ⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.* at 666.

1 RSO lastly offers *Clark v. International Harvester Co.*,⁵⁴ in which the defendants
2 warranted that the plaintiffs would “receive a tractor ‘free from defects in material and
3 workmanship under normal use and service.’”⁵⁵ The Idaho Supreme Court concluded that the
4 defendants were obligated to repair or replace defective parts within a reasonable time.⁵⁶ But it
5 relied on an Idaho statute prescribing that “[t]he time for shipment or delivery or any other action
6 under a contract if not provided in this chapter or agreed upon shall be a reasonable time.”⁵⁷
7 RSO points to no statutory equivalent in Nevada law.

8 In sum, the laws of contract interpretation prevent RSO from grafting a reasonable-time
9 condition onto Navistar’s repair-or-replace warranty. The essential-purpose doctrine supplies no
10 reasonable-time requirement either. And the doctrine has no application here because RSO’s
11 truck was repaired as warranted. So Navistar is entitled to summary judgment on RSO’s breach-
12 of-warranty claim.

13 **B. Navistar’s motion to exclude RSO’s damages expert is denied as moot.**

14 Along with its summary-judgment motion, Navistar filed a motion to exclude the opinion
15 of RSO’s expert Michelle Salazar, who was retained to give testimony on RSO’s lost profits
16 while the truck was under repair.⁵⁸ Because I grant summary judgment on the breach element
17 and don’t reach the issue of damages, I need not and do not consider whether Salazar’s testimony
18 must be excluded. And because the grant of summary judgment ends this case, I deny as moot
19 the motion to exclude Salazar’s testimony.

21 ⁵⁴ *Clark v. Int’l Harvester Co.*, 581 P.2d 784 (Idaho 1978).

22 ⁵⁵ *Id.* at 798.

22 ⁵⁶ *Id.* at 799.

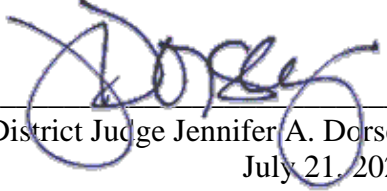
23 ⁵⁷ *Id.* (citing I.C. § 28-2-309(1)).

⁵⁸ ECF No. 47-3 at 23.

Conclusion

IT IS THEREFORE ORDERED that Navistar's motion for summary judgment [ECF No. 46] is **GRANTED**. The Clerk of Court is directed to **ENTER FINAL JUDGMENT for Navistar and against RSO and CLOSE THIS CASE**.

IT IS FURTHER ORDERED that Navistar's motion in limine to exclude Michelle Salazar's expert testimony [ECF No. 47] is **DENIED as moot**.



U.S. District Judge Jennifer A. Dorsey
July 21, 2025